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All prices are in Canadian dollars unless otherwise noted.

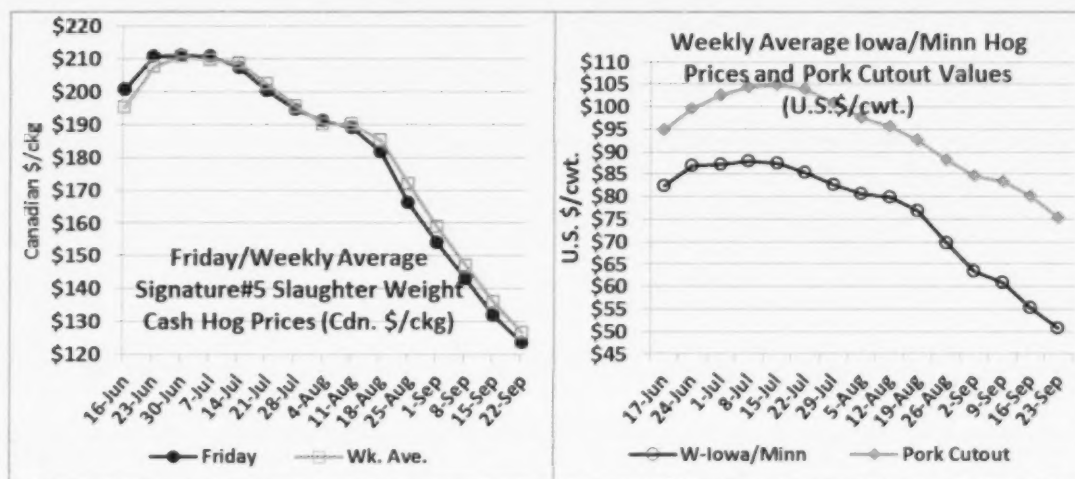
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Weekly Hog Report

September 25, 2017

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) continued lower last week to end the week lower, week-over-week. Hog prices on Friday September 22 averaged US\$48.89 per cwt, down US\$4.59 per cwt or 8.6 per cent from US\$53.48 per cwt the previous Friday. The negotiated weekly base price last week averaged US\$50.65 per cwt, down US\$4.60 per cwt or 8.3 per cent from US\$55.25 per cwt the previous week. Slaughter weight hogs prices continued lower on large U.S. slaughter weight hog volumes and seasonal pork cutout price weakness.



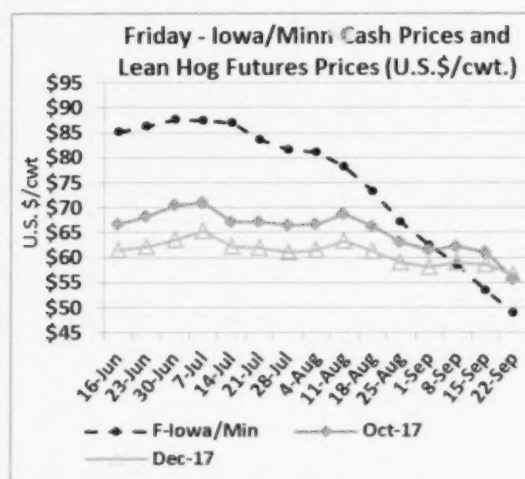
Source: HAMS Marketing

Source: LMIC, CME

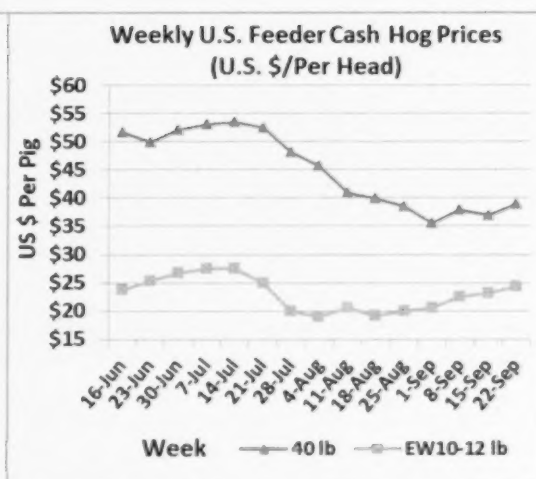
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday September 22, 2017 was \$123.49 per ckg, down \$8.22 per ckg or 6.2 per cent from \$131.71 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged \$126.54 per ckg, down \$9.35 per ckg or 6.9 per cent from the previous weeks' average price of \$135.89 per ckg. The Canadian dollar compared to the U.S. dollar settled last Friday at 81.19 cents, down 0.90 cents from 82.09 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed but primarily lower last week pushing prices lower, week-over-week. The October lean hog futures contract declined US\$5.275 per cwt or 8.6 per cent to settle last Friday at US\$55.700 per cwt; while the December contract declined US\$1.850 per cwt to settle last Friday at US\$56.625 per cwt.



Source: LMIC



Source: USDA

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged higher last week. Weighted average cash prices for iso-weans (12lb) last week were US\$24.26 per head, up US\$1.16 per head or 5.0 per cent from US\$23.10 per head the previous week. Feeders (40lb) averaged US\$38.93 per head, up US\$1.97 per head or 5.3 per cent from US\$36.96 per head, the previous week.

Iowa cash corn prices settled last Friday at US\$3.04 per bushel, down two cents from US\$3.06 per bushel the previous Friday. Daily corn futures were mixed last week declining Monday and Tuesday before increasing later in the week to help minimize losses, weak-over-week. The December corn contract declined 1¼ cents to settle Friday at US\$3.53½ per bushel. The March 2018 corn contract also declined 1¼ cents to settle Friday at US\$3.66 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending September 23 were estimated at 2.501 million head, up 2.8 per cent from 2.432 million head the previous week, and up 1.1 per cent from 2.473 million head the same week a year ago. Weekly hog slaughter numbers were about the sixth largest kill on record over the last 30 years; helped by the expanding U.S hog slaughter capacity. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.363 million head, up 2.8 per cent from 2.298 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Sept. 16, 2017 were estimated at 435,183 head, up 18.7 per cent from 366,538 head the previous shorter Canadian Labor day week, and up 1.7 per cent from 428,035 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 410,355 head, up 1.9 per cent from 402,761 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 15,236,640 head, up 2.0 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending September 23, 2017 was estimated at 523.2 million lb., up 3.5 per cent from 505.7 million lb. the previous week, and up 1.0 per cent from 518.2 million lb. the same week a year ago. Pork production over the last four week's ending September 23 was estimated to average 494.1 million lb., up 3.2 per cent from 478.7 million lb. over the same four week period a year ago.

U.S. beef production for the week ending September 23 was estimated at 524.1 million lb., down 0.4 per cent from 526.2 million lb. the previous week, but up 5.6 per cent from 496.5 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending September 16, 2017, was estimated to average 2.109 billion lb., up 2.5 per cent from 2.057 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.2 per cent compared to the same period in 2016.

United States Weekly Meat Production

(Sept. 16) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	466.6	485.0	4.0%	2.9%
Beef	490.2	508.6	3.8%	4.5%
Chicken	971.6	988.1	1.7%	1.1%
Turkey	128.9	127.7	-1.0%	0.3%
Total	2,057.3	2,109.4	2.53%	2.20%

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending September 23, 2017 averaged US\$75.29 per cwt, down US\$4.66 per cwt or 5.8 per cent from US\$79.95 per cwt the previous week, and down 4.9 per cent from US\$79.18 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending September 23, 2017 averaged US\$191.98 per cwt, up US\$0.95 per cwt or 0.5 per cent from US\$191.03 per cwt the previous week, and up 2.9 per cent from US\$186.48 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending September 23, 2017 averaged US\$130.53 per cwt, down US\$5.97 per cwt or 4.4 per cent from US\$136.50 per cwt the previous week, but up 0.8 per cent from US\$129.48 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on September 22, 2017. The United States' pork stocks in cold storage totaled 575.7 million lb. on August 31, 2017, up 3.7 per cent from 554.9 million lb. on July 31, 2017, but down 5.5 per cent from 609.0 million lb. on August 31, 2016. U.S. pork stocks in cold storage for August 31, 2017 were below the monthly 12-year highs; but above the monthly 12-year average.

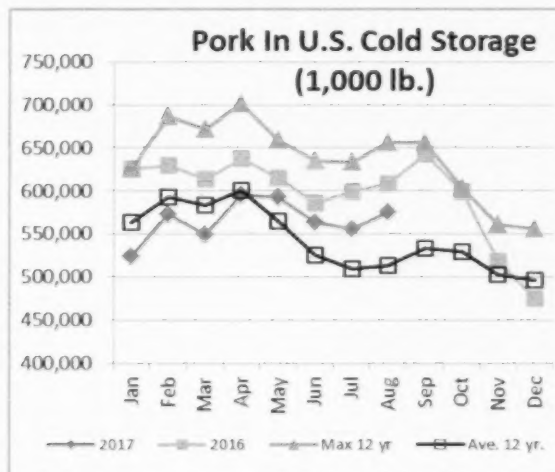
United States Stocks in Cold Storage (Frozen)

1,000 Pounds			
Commodity	31-Aug-2016	31-Jul-2017	31-Aug-2017
Pork	608,955	554,854	575,681
Beef	476,593	431,836	476,260
Chicken	773,705	798,120	780,154
Turkey	532,579	595,623	607,855
Total Combined	2,391,832	2,380,433	2,439,950

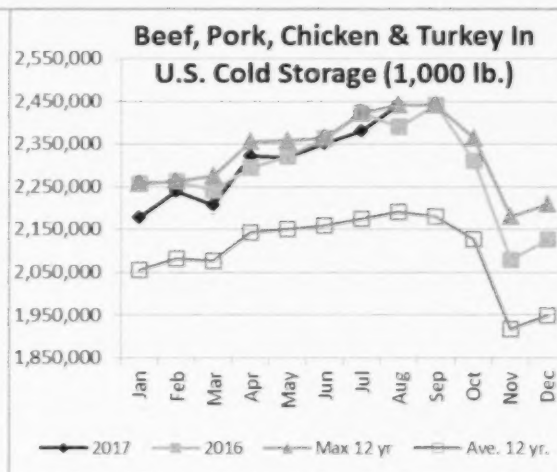
Source: NASS

The U.S. beef stocks in cold storage totaled 476.3 million lb. on August 31, 2017, up 10.3 per cent from 431.8 million lb. on July 31, 2017, but down slightly from 476.6 million lb. on August 31, 2016. Beef stocks in cold storage for August 31, 2017 were above the monthly 12-year average, but below the monthly 12-year highs.

Total pork, beef, chicken and turkey in cold storage on August 31, 2017 was at 2.440 billion lb., up 2.5 per cent from July 31, 2017, and up 2.0 per cent from August 31, 2016. U.S. meat in cold storage for August 31, 2017 was above the 12-year average; but slightly below the previous record highs of 2.442 billion lb. established in September 2016.



Source: USDA



Source: USDA

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